



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Owner of Nevada Dry Cleaner Pleads Guilty to Obstructing the Administration of the Internal Revenue Laws**

A Las Vegas, Nevada woman pleaded guilty today to corruptly endeavoring to obstruct the due administration of the internal revenue laws, announced Principal Deputy Assistant Attorney General Caroline D. Ciraolo, head of the Justice Department's Tax Division, and U.S. Attorney Daniel G. Bogden of the District of Nevada.

According to the plea agreement, from at least 2005 through 2009, Judith Woodward, then known as Judith Atwell, 58, was the 99 percent owner and joint operator of a Las Vegas dry cleaning business, Canyon Gate Cleaners, which she held under an entity named Canyon Enterprises LLC.

Woodward admitted that she filed false 2005 through 2009 U.S. Returns of Partnership Income (Forms 1065), which underreported the gross receipts for Canyon Enterprises LLC. Woodward concealed the true gross receipts by failing to deposit certain cash receipts into any bank account, and depositing hundreds of thousands of dollars of other cash receipts into personal bank accounts that she controlled. Woodward provided her return preparer with false information regarding business deductions, and only provided the business bank account records, which omitted the cash receipts. Woodward used the unreported cash receipts to pay for personal expenses, including vehicles and personal credit card payments.

Woodward also admitted to filing false 2005 through 2009 U.S. Individual Income Tax Returns (Forms 1040), on which she underreported partnership income received from Canyon Enterprises LLC.

In 2010, Woodward made false and misleading statements to an Internal Revenue Service (IRS) special agent that all cash business receipts were deposited into the Canyon Enterprises LLC business bank accounts, that she assumed all income from all sources was reported on her filed tax returns, and that the maximum amount of cash she had on hand between 2004 and 2009 was \$100,000. Woodward admitted to causing a loss to the IRS of approximately \$212,000.

Sentencing is scheduled for March 9, 2017. Woodward faces a statutory maximum sentence of three years in prison, as well as a period of supervised release, restitution and monetary penalties.

Principal Deputy Assistant Attorney General Ciralo and U.S. Attorney Bogden thanked special agents of the IRS-Criminal Investigation, who conducted the investigation, and Trial Attorneys Christopher S. Strauss and Eric C. Schmale of the Tax Division, who are prosecuting the case.

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